



USFRCS MEMORANDUM NO. 55

TO: Arizona Charter School Administrators

FROM: Magdalene D. Haggerty, Office of the Auditor General
Vicki G. Salazar, Arizona Department of Education

DATE: August 17, 2004

SUBJECT: Charter School Procurement Revisions (Supersedes USFRCS Memorandum No. 29)

In accordance with Arizona Revised Statutes (A.R.S.) §§15-183(E)(6) and 15-189.02 (unless specifically exempted in the school's charter), charter schools must follow the School District Procurement Rules adopted by the Arizona State Board of Education for all purchases including construction in excess of the limits set forth in A.R.S. §41-2535. Laws 2004, Chapter 190, revised the dollar limit for formal competitive bidding from \$35,000 to \$50,000. **This change becomes effective August 25, 2004.** Therefore, charter schools are required to follow the School District Procurement Rules for all purchases including construction in excess of \$50,000. For procurement of construction in excess of \$50,000 but not exceeding \$100,000, schools may follow the Simplified School Construction Procurement Program adopted by the Board.

Schools not exempt from the *Uniform System of Financial Records for Arizona Charter Schools* (USFRCS) should also follow the guidelines for competitive purchasing below the dollar limits required for sealed bids as outlined in the USFRCS on pages VI-G-7 and 8. Guidelines 3 and 4 are revised to read:

3. Schools should obtain oral price quotations from at least three vendors for all purchases of at least \$5,000, but less than \$15,000.
4. Schools should obtain written price quotations from at least three vendors for all purchases of at least \$15,000, but not exceeding \$50,000.

Other procedures in these guidelines have not changed.

If you have questions, please contact the Office of the Auditor General, Accounting Services Division at (602) 553-0333, or the Arizona Department of Education, School Finance Operations Unit at (602) 542-5695.

MDH/VGS/ms